IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 372 OF 1995

The Commissioner of Income Tax, Bombay .. Applicant
V/s.
M/s. Colour Chem Ltd., Bombay-20 .. Respondent

Mr. R.V. Desai, Sr. Advocate with Ms. S.V. Bharucha for the Applicant
Mr. P.C. Tripathi with Mr. A.K. Jasani for the Respondent

CORAM : S. RADHAKRISHNAN &
J.P. DEVADHAR, JJ.
DATED : 28.02.2005

P.C.:-

1. Heard the learned counsel for the Applicant and the Respondent. The following two questions are referred:-

> "i. Whether on the facts and in the circumstances of the case, the Tribunal was right in law in confirming the order of the Commissioner of Income Tax (Appeals) holding that the disallowance under Rule 6D should be computed with reference to the aggregate expenditure incurred by an employee or other person during the entire year and not with reference to the expenditure incurred on such trip separately?
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> ii. Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in directing the assessing officer to exclude other expenses incurred by the assessee while on tour computing the disallowance under Rule 6D?"

2. Both the learned counsel for the Applicant and the Respondent categorically state that both the questions referred to are squarely covered by judgment of our Court in **CIT v. Aorow India Ltd. (1998) 229 ITR 325 (Bom.)**, hence both the questions are answered in the affirmative, i.e. in favour of the assessee and against the Revenue.

(S. RADHAKRISHNAN, J.)

(J.P. DEVADHAR, J.)